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SECURITY INFORMATION

10 April 1953

I. WESTERN EUROPE

The Soviets might:

1. Declare their adherence to the US-UK-French Declaration of 1948, supporting the return of Trieste to Italy.
 - a. Soviet aims would be to win friends in Italy and influence the 7 June elections there; open a breach between Italy and the US and UK (who no longer adhere to the Declaration); increase Italo-Yugoslav friction; and weaken Italy's adherence to NATO and EDC.
2. Place bona fide substantial orders in Western Europe for non-strategic manufactures and colonial products and offer the West at reasonable prices greater quantities of traditional Soviet Bloc exports.
 - a. Soviet aims would be to improve relations; reduce popular suspicion of the new regime in the USSR; turn public opinion against sacrifices for rearmament; and divide the US from its NATO allies.
3. Propose re-establishment of a unified Berlin administration and restoration of the quadripartite control authority and/or give up controls over road and rail traffic between Berlin and West Germany.
 - a. Soviet aims would be to provide further evidence of sincerity of new Soviet regime's expressed desire for detente; weaken West's will to rearm; raise hopes in Germany of a peace treaty and

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reunification ; postpone establishment of EDC; and possibly evoke a sharp reduction in the US military and foreign aid budget.

4. Offer constructive proposals for reopening Austrian Treaty talks.

a. Soviet aims would be to add to the evidence of the new regime's peaceful intentions; reduce East-West tensions still further; raise hopes in Germany of a peace treaty and unification; and possibly precipitate friction between Austria and the Western occupying powers.

5. Promptly conclude an Austrian Peace Treaty.

a. Soviet aims would be to give convincing evidence of the new regime's desire for detente; secure the withdrawal of the Western occupying forces; sharply influence the West's rearmament programs; raise strong hopes in Germany for similar treatment; kill EDC; and possibly create new frictions between the US and its allies.

b. Such a step would also result in withdrawal of Soviet forces from Austria. It would also remove the present legal basis for Soviet troop establishments in Hungary and Roumania.

6. Offer a constructive proposal for new four-power talks on German reunification and a Peace Treaty.

a. Soviet aims would be to add to the evidence of the new regime's peaceful intentions; to divide the West and weaken NATO unity; to slow rearmament in the West; and to cause confusion and uncertainty in France.

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II. MIDDLE EAST

The Communists might undertake the following moves in the Middle East:

1. Release of Jews from Soviet Bloc countries for emigration to Israel.

a. The aim of this would be to overwhelm Israel's already overstrained economy and arouse new fears of Israeli expansion among the Arabs, thereby complicating US efforts to stabilize the area.

b. One difficulty with such a course of action is that it would probably arouse the Arab states against the Soviet Union.

2. Release of all or part of the Iranian gold now in the Soviet Union, negotiation of a new non-aggression treaty with Iran to replace the 1921 treaty now in effect, and the facilitation of additional trade with Iran.

a. The aim of this would be to establish a friendly relationship with Iran and draw Iran away from the West.

b. Renegotiation of the treaty would involve elimination of the clause permitting Soviet intervention in Iran and is therefore only an outside possibility.

Gestures of lesser importance might include:

1. Increased purchases of Egyptian cotton, and facilitation of additional trade with Middle Eastern countries.

a. The aim of this would be to establish closer relations with Middle Eastern states and draw them away from the West.

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2. Increased trade with South Asia, particularly the purchase of Pakistani cotton and sale of grain on good terms.

a. The aim of this would be the same as in the case of the preceding example.

3. Relaxation of tension on Bulgaria's Turkish border, and the purchase of Turkish products.

a. The aim of this would be to give Turkey a greater sense of security.

4. Proposal of an economic development scheme for the Middle East and/or South Asia under UN sponsorship.

a. The aim of this would be to obstruct the US aid and technical assistance program, and possibly to get Russian technicians into the area.

b. The Soviet Union would probably adopt such a procedure only if it was believed that the short term advantages were great, because in the long run it is unlikely that the Soviet Union is interested in seeing these areas strengthened economically.

III. FAR EAST

1. We believe that the Communists would not be willing to sacrifice any territory in North Korea, their claims to Taiwan, or the Communist movement in Indochina in order to reach agreements with the West and to relax tensions. Nor do we believe the Communists would make important concessions to a conservative Japanese government in order to establish formal relations with Japan.

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2. Within these limits, Communist proposals in the Korean post-armistice political discussions might include:

a. The establishment of multi-nation commission, including representatives of Communist China and the USSR to discuss the unification of Korea.

(1). The aim of this proposal would be to prolong political discussions over the future of Korea and prevent an early deadlock on the issue of Korean unification that might effect adversely Communist efforts to appear conciliatory elsewhere in the world.

b. Admission of Communist China to the UN.

(1). Communist China's aim would be to gain recognition of their claim to great power status.

(2). Communist China would probably claim a permanent seat on the Security Council and would probably attempt to oust Nationalist China. They might not insist on the simultaneous expulsion of the representatives of Nationalist China from the General Assembly and might propose, as part of the deal for their admission into the UN, that the UN (with Communist China as a member) assume a temporary trusteeship over Taiwan in order to "secure peace" in the Far East and "to protect the rights of the native Formosans."

c. A cessation of hostilities in Indochina and discussions between interested parties in order "to reach a peaceful settlement of the problem of the independence of Vietnam, Laos, and Cambodia".

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(1). The aim of this proposal would be to add fuel to the fires of "peace", to stall French and US efforts to develop strong military forces in Indochina, and to provide an extended rest period for Vietminh military units during which time they could be trained and furnished with heavy military equipment and Vietminh political cadres could be trained and political cadres could consolidate their controls over Vietminh held territory.

3. The Communists might offer the Japanese Government substantial concessions including large-scale trading opportunities and the recession of territory in return for the establishment of formal relations under a peace treaty and Japanese renunciation of all US rights to maintain armed forces and bases in Japan. We believe it more likely, however, that any Communist overtures to Japan following an armistice in Korea would take the form of "negotiations" with private groups in Japan. Such "negotiations", like the recent example involving the repatriation of Japanese from Communist China, might include offers for trade with the Communist bloc and permission for Japanese fishermen to enter Communist controlled waters. The primary objective of these moves would be to exploit the important cultural, economic, and sentimental ties between China and Japan and to emphasize Communist unwillingness to deal with a conservative, "US dominated" Japanese government.

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